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**In the Supreme Court of the United States**

OCTOBER TERM, 1983

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JAMES N. CONSTANT, PETITIONER

v.

UNITED STATES OF AMERICA

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*ON PETITION FOR A WRIT OF CERTIORARI TO  
THE UNITED STATES COURT OF APPEALS FOR  
THE FEDERAL CIRCUIT*

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**MEMORANDUM FOR THE UNITED STATES  
IN OPPOSITION**

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## MEMORANDUM FOR THE UNITED STATES IN OPPOSITION

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Petitioner contends that the courts below imposed an unreasonable burden of proof under 35 U.S.C. 183, by requiring him to prove actual damages caused by the government's imposition of a secrecy order on his patent application.

1. Petitioner is an inventor in the field of radar technology, and his inventions have been used for both military and nonmilitary purposes (Pet. App. 16a). On September 22, 1969, petitioner filed a patent application for a radar system designed to identify moving vehicles (*id.* at 9a-10a).

Under 35 U.S.C. 181, the Commissioner of Patents is authorized to "order that [an] invention be kept secret" and to "withhold the grant of a patent" if an appropriate agency of a "Defense Department" notifies the Commissioner that the invention's disclosure "would be detrimental to the

national security." In that event, the applicant may seek "compensation for the damage caused by the order of secrecy." 35 U.S.C. 183. On May 18, 1970, the Patent Office, based upon the recommendation of the Armed Services Patent Advisory Board, issued a secrecy order for petitioner's invention under 35 U.S.C. 181. The order forbade disclosure of the contents of the patent application to anyone not familiar with the invention prior to the date of the order. Pet. App. 52a.

Pursuant to 37 C.F.R. 5.4, petitioner requested the Commissioner to rescind the order, but the request was denied (Pet. App. 53a). After obtaining permission to disclose the contents of his application to an attorney, petitioner appealed the denial of his request (*id.* at 58a, 59a). On August 27, 1971, approximately 15 months after the secrecy order was entered, the Patent Office rescinded the order (*id.* at 61a).<sup>1</sup>

Before and during the pendency of the secrecy order, petitioner unsuccessfully attempted to market his radar invention. He sought financing, contacted suppliers and submitted proposals to potential users of the radar identification system (Pet. App. 21a-34a). Petitioner abandoned all efforts to market the invention after 1973 (*id.* at 34a).

2. Petitioner filed suit in the Court of Claims on September 11, 1978, seeking to recover damages allegedly sustained due to imposition of the secrecy order.<sup>2</sup> Petitioner

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<sup>1</sup>Several months later, petitioner was notified that his patent application was allowed, and the patent itself was issued on September 12, 1972. Petitioner has not claimed that the delay in processing the patent application was caused by the secrecy order. See note 2, *infra*.

<sup>2</sup>The government moved for summary judgment on the ground that the remedy under Section 183 was limited to claims that the secrecy order had delayed awarding of the actual patent (Pet. App. 11a). The Court of Claims held (617 F.2d 239 (1980)) that jurisdiction existed

was the only witness at trial (Pet. App. 14a). Upon conclusion of his testimony, the government moved to dismiss petitioner's claim for damages as unsupported by the evidence (*ibid.*). The court granted the motion, finding that the secrecy order was not an appreciable cause of petitioner's failure to achieve commercial success with his radar device (*id* at 26a-34a, 38a-40a).

The court of appeals<sup>3</sup> affirmed in an unpublished opinion (Pet. App. 2a-5a). The court reasoned that the burden of showing damages was properly imposed on petitioner as the claimant for compensation and that the trial court correctly held that petitioner's proof was inadequate (*id* at 5a).

3. Petitioner argues (Pet. 26-36) that the court of appeals imposed too stringent a standard of proof, because damages stemming from the imposition of a secrecy order are by nature speculative since it is impossible to determine precisely what would have happened if no secrecy order had been imposed. Petitioner argues (Pet. 37) that recovery should be allowed under Section 183 because he demonstrated that imposition of the secrecy order was a "substantive factor" affecting his ability to market his invention. Finally, petitioner argues (Pet. 37) that even if he is held to the "concrete evidence of damage" standard, he should at least receive nominal damages and attorney's fees.

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whether or not the secrecy order delayed issuance of the patent. In so holding, the court noted that in order to recover damages petitioner needed to present " 'real concrete evidence of damage, actual damages, proven damages' " (*id.* at 244 (citations omitted)).

<sup>3</sup>The Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 *et seq.*, established the United States Court of Appeals for the Federal Circuit. See *United States v. Mitchell*, No. 81-1748 (June 27, 1983), slip op. 22 n.33.

The court of appeals' construction of Section 183 is reasonable. The requirement that "actual" damages must be proved does not prevent just compensation when compensation is due. It merely avoids payment of unwarranted or speculative damages. This view is amply supported by the legislative history. As the Court of Claims explained in denying the government's summary judgment motion in this case (617 F.2d at 244; see *Patent Disclosure: Hearings on H. R. 4687 Before Subcomm. No. 3 of the House Comm. on the Judiciary*, 82d Cong., 1st Sess. 17, 18, 21, 22-23, 28, 32 (1951) (hereinafter cited as *Hearings*)):

We think the consensus at the hearing [on Section 183] was that neither the courts nor the administrative agencies would permit purely speculative damages, but that there would have to be "real concrete evidence of damage," (*Id.* at 32, Statement of P.J. Federico, Examiner-in-Chief, U.S. Patent Office), "actual damages" (*Id.* at 28, Statement of H. Brown, *Chief*, Patent Section, Dept. of Justice), proven damages (*Id.* at 18, 21, 23, Statement of P.A. Rose, representative of the American Patent Law Association) \* \* \*. That general expectation and admonition should, of course, be respected.

In adopting Section 183, Congress was careful not to expose the government to speculative damages awards. See *Hearings* 18-19. The decision below, by the court most familiar with patent law, is faithful to Congress's intent and accordingly does not warrant review by this Court.

Finally, petitioner has no claim to either nominal damages or attorney's fees. In the absence of specific statutory authorization, courts may not award attorney's fees against the United States, 28 U.S.C. (Supp. V) 2412, and petitioner cites no statute authorizing fees in this case. Similarly, the

Claims Court, as successor to the Court of Claims, lacked authority to award petitioner nominal damages. See *Nortz v. United States*, 294 U.S. 317, 327 (1935); *Perry v. United States*, 294 U.S. 330, 355 (1935).

It is therefore respectfully submitted that the petition for a writ of certiorari should be denied.

REX E. LEE  
*Solicitor General*

DECEMBER 1983